

Annual Report
for
1999

Nova Scotia Real Estate Commission



2000
Annual General Meeting

April 14, 2000

Nova Scotia Real Estate Commission

PROXY

ONLY THE UNDERSIGNED CAN APPOINT HIS/HER VOTING DELEGATES. (Please Print)

THE UNDERSIGNED: _____

HEREBY APPOINTS: _____

OR FAILING HE/SHE: _____

AS THE PROXY ON MY BEHALF AT:

The Annual Meeting of the Nova Scotia Real Estate Commission to be held at the Holiday Inn Select Hotel, Halifax, Nova Scotia, on Friday April 14th, 2000 at 2:00 pm

AND AT ANY ADJOURNMENT THEREOF IN THE SAME MATTER, TO THE SAME EXTENT AND WITH THE SAME POWER AS IF THE UNDERSIGNED WERE PRESENT AT THE SAID MEETING OR SUCH ADJOURNMENT THEREOF.

I UNDERSTAND THAT NO VOTING DELEGATE CAN CARRY MORE THAN TWO (2) PROXY VOTES.

DATED THE ____ DAY OF _____, 2000.

Signature of Eligible Voting Licensee

Brokerage

NOTE: This proxy form must be presented to the Commission prior to the Annual Meeting. It can be presented at the registration desk for the Commission Annual General Meeting between 1:00 PM and 2:00 PM the day of the election.

IT CAN ALSO BE FAXED TO THE COMMISSION OFFICE BEFORE NOON ON THURSDAY APRIL 13, 2000. YOU ARE ENCOURAGED TO FAX YOUR PROXY IN ORDER TO STREAMLINE THE REGISTRATION PROCESS.

FAX# 468-2533 or 1-800-390-1016

Notice of Annual General Meeting

for the

Nova Scotia Real Estate Commission

**Holiday Inn Select Hotel
Halifax, NS**

**Friday, April 14, 2000
2:00-3:30 PM**

AGENDA

Chairman - Richard Miller

1. Call to Order
2. Introduction of Head Table - Registrar, Doug Dixon
3. Commission Chairman's Report - Richard Miller
4. Finance & Recovery Fund - Ray Nelson
5. Licensing Committee - Lynn Hoffmann
6. Complaint Review Committee - Ron Hollett
7. Discipline Committee - Eric Demont
8. Agency Committee - Richard Miller
9. Review of the election procedures by the Registrar
10. Address by Nominees (*each will be allowed 2 minutes to speak*)
11. Election - first ballot
12. Open Forum - This will be an opportunity for licensees to ask questions for the Commission's comments or to bring forward items for the Commission to consider in their upcoming discussions.
13. Results of first ballot and start of second ballot if necessary
14. Further ballots if required
15. Adjournment

Nova Scotia Real Estate Commission

Commissioners

Shown below are the members of the Commission. The three Commissioners appointed by the Association and the three elected by the licensees are staggered so that one position in each category expires each year. The government appointments are not staggered evenly and will run for the periods shown below.

NSREA Appointments

| Name | Term | Term Expires | From | Brokerage |
|----------------|-------------|----------------|-------------|-------------------------|
| Richard Miller | three years | April 30, 2002 | Halifax | Clayton Realty |
| Lynn Hoffmann | three years | April 30, 2001 | Canning | MacDonald Chisholm |
| Ray Nelson | three years | April 30, 2000 | Yarmouth | Vaughne Realty |
| Jim Woods | three years | April 30, 2003 | New Glasgow | RoyalLepage Reflections |

Effective May 1, 2000

Elected Commissioners

| | | | | |
|-------------|-------------|----------------|-----------|---------------------------|
| Paul Doucet | three years | April 30, 2002 | Bedford | Prudential Property |
| Ron Hollett | three years | April 30, 2001 | Dartmouth | RE/MAX Nova |
| Nora Landry | three years | April 30, 2000 | Dartmouth | Century 21 Classic Realty |

Government Appointments

| | | | |
|------------------|-------------|---------------|--------------|
| Eric Demont | three years | August, 2000 | Wolfville |
| Judith Patterson | three years | August, 2000 | Dartmouth |
| Tina Sweeney | three years | January, 2001 | Church Point |

Commission Staff

| | |
|--------------------|----------------------|
| Registrar | <i>Douglas Dixon</i> |
| Compliance Officer | <i>Brad Chisholm</i> |
| Licensing Officer | <i>Chris Baker</i> |
| Secretary | <i>Pam Crane</i> |



Richard Miller
Chairman



Eric Demont
Discipline Committee



Paul Doucet
Finance



Lynn Hoffmann
Commission Vice-Chair
Licensing Committee



Ron Hollet
Complaint Review
Committee



Nora Landry
Licensing Committee
Finance
Recovery Fund



Ray Nelson
Finance
Recovery Fund
Discipline Committee



Juduth Patterson
Licensing Committee
Complaint Review



Tina Sweeney
Complaint Review



Doug Dixon
Registrar

Message from the Chairman

January 2000 marks the start of the fourth year of the Commission. It is hard to believe the Commission is already three years old. It seems like only a short time ago our industry was still negotiating with government to create a self-regulatory body. A lot has taken place since the Commission began.

Overall the start-up of the Commission has been very successful. We have established an administrative body that has simplified the bureaucracy and in most matters has provided for very fast turn around times. Financially the Commission has worked out very well. The initial budgets that were developed, came in as predicted the first year and fees and administrative charges have remained stable since then. There have been no licensing fee increases over the last three years and there will not be any increases for the upcoming renewals. The Commission's audit program is ongoing and the complaint/discipline processes have raised the standards expected of licensees.

The next year will see several changes take place. The Commission finds it necessary to employ a full time Registrar. The Commission notified the Association of this in August so that a transition could take place by the first quarter of 2000. As it turns out, this will work well with the Association's restructuring plans for the new year. This will take place effective April 1st. Two other staff that were shared with the Association will also now work full time for the Commission. This is being done for several reasons. There are several projects and initiatives the Commission wishes to move forward with and this requires the full attention of the Registrar. In addition the Commission wishes to shorten the time frame for dealing with complaints. The audit program of brokerage trust accounts and record keeping will also be given more attention.

The Commission's mandate is to protect the public interest as well as provide for an orderly environment for real estate licensees. Self-regulation has certainly improved the protection of the public and has become a good resource for both the public and the industry. As we move into 2000 the Commission expects to move forward with several initiatives that will be seen positively by both the public and licensees.

The Commission's Annual General Meeting will be held on April 14th and I encourage all licensees to attend. This is an opportunity for you to hear about the work of the Commission, elect a licensee to the Commission and to give feedback to the Commissioners.

Richard Miller

Richard Miller
Chairman

Registrar's Report

The Commission is now three years old. It is hard to believe time has gone by so fast. Now that the start-up issues are out of the way, the administrative work of the Commission has become more routine. Staff are more comfortable in their roles and licensees better understand the responsibilities of the Commission.

During this past year, the Commission has been able to respond and deal with complaints in a more timely fashion, as well as carrying out routine brokerage audits. The Commission staff make an effort to assist brokers and salespeople when they have questions or are involved in sorting out a problem. Audits are designed to confirm that brokerages and licensees are operating as required under the *Act* and the Commission By-laws. Audits are generally treated as an education process and as an opportunity to correct procedures, but in extreme cases where serious problems are identified, it can lead to disciplinary action.

Licensees are encouraged to complete their CPE requirements throughout the year and not leave the courses to the last minute. The Commission has a zero tolerance policy, so any licensee who has not completed their two credits by June 30th will not have their license renewed July 1st. As of March 22nd, 483 licensees had completed one course and only 177 had completed both. There are 1,300 licensees.

There are a number of new issues, as well as ongoing ones, that the Commission will discuss, develop and/or establish during the upcoming years. These include setting new policies on agency, looking at Errors & Omissions Insurance for brokerages, establishing a Commission website, and developing a higher profile with the public.

The Commission decided last August to employ the Registrar full time effective the first quarter of 2000. This will allow the Commission to deal with routine administration on a more timely basis as well speed up work on new projects. Two of the four administrative positions shared with the Association will also become full time positions with the Commission. The only positions that will continue to be shared are Receptionist and Bookkeeper. These changes are not expected to impact on licensing fees.

I want to thank the staff for their work this past year. Staff must deal with many different types of situations throughout the year. Many, many enquiries have come to the Commission from both the public and licensees. These can be as simple as a request for information or an explanation of proper procedures to upset and disgruntled people who can be very demanding. Often members of the public look to the Commission to get help with matters that are not within the authority of the *Real Estate Trading Act*. They don't always understand that just because a licensee is involved in some way doesn't necessarily mean the Commission can take action. Quality of service is not regulated. Staff must also deal with a wide range of brokerages and licensees. Some are excellent at submitting reports, renewals and responding to complaints. Others, unfortunately, need ongoing follow-up.

The upcoming year should be very challenging. The consolidation of organized real estate in Nova Scotia, the staff changes at the Commission and the many new projects to be undertaken are just some of the issues to be dealt with.

Douglas Dixon

Douglas Dixon
Registrar

Licensing Committee

| | | |
|----------------|------------------------------|-----------|
| Lynn Hoffmann | Chairperson and Commissioner | Canning |
| Nora Landry | Commissioner | Dartmouth |
| Judy Patterson | Commissioner (Public Member) | Dartmouth |
| Pat King | Member | Dartmouth |
| Marg Bowlen | Member | Dartmouth |
| Doug Dixon | Registrar | |
| Chris Baker | Licensing Officer | |

The committee is mandated to review the licensing decisions and recommendations of the Registrar, to research licensing issues and to make recommendations to the Commission on any issues concerning licensing. There were no licensing hearings held in 1999.

The committee reviews all exemptions to the licensing rules and makes decisions on any requests from applicants for exemptions. The committee also reviews any conditions the Registrar may place on licensees. The committee would also look at the licensing status of a licensee as to suitability to maintain a license if there have been serious or multiple breaches of the *Act* or By-laws.

Last year saw the implementation of new deadlines for the renewal process. These changes had a positive impact on the turn-a-round time of annual license renewals.

An issue debated by the committee was the possibility of creating an "Associate Broker" license category. A person holding this type of license would have all the qualifications of a broker and would have to maintain them, but would still be licensed under and responsible to a broker. No decision has yet been made as to whether or not a new category should be created and if it is, what to call it.

I would ask that any licensees with suggestions or concerns related to licensing issues forward them to the Commission for discussion and consideration. In closing, I wish to thank the members of the committee for their efforts and the many hours spent working on behalf of the Commission.

Lynn Hoffmann

Lynn Hoffmann
Chairperson

Agency Committee

| | | |
|------------------------|---------------------------|-----------|
| Richard Miller | Chairman and Commissioner | Halifax |
| Tony Walters | Member | Lunenburg |
| Charles Pace | Member | Halifax |
| Dave Pike | Member | Dartmouth |
| William Greenwood | Member | Halifax |
| Catherine Walker, Q.C. | Legal Counsel | Halifax |
| Doug Dixon | Registrar | |

The Agency Committee was struck to review the current agency practices used in Nova Scotia, the problems that exist under these practices and to make recommendations to the Commission as necessary.

The committee has not yet made any recommendations to the Commission. The issues around agency are very complex and any changes can have a profound effect on how licensees and the buying/selling public interact. What is very clear is that problems do exist for both the public and brokerages when dual agency is involved. Agency has been dealt with many different ways in jurisdictions throughout North America. As part of its work the Committee is reviewing the legislation and policies in other jurisdictions.

I would like to thank the members of the committee for their efforts. The committee will continue its work into 2000.

Richard Miller

Richard Miller
Chairman

Complaint Review Committee

| | | |
|------------------|------------------------------|--------------|
| Ron Hollett | Chairperson and Commissioner | Dartmouth |
| Brian Lugar | Member | Halifax |
| Cathy Harvey | Member | Baddeck |
| David Sawler | Member | Dartmouth |
| Judith Patterson | Commissioner (Public Member) | Dartmouth |
| Tina Sweeney | Commissioner (Public Member) | Church Point |
| Doug Dixon | Registrar | |
| Brad Chisholm | Compliance Officer | |

The Complaint Review Committee met four times during 1999 to review all matters relative to complaints investigated by the Commission staff. The mandate of this committee is to review all proposed Settlement Agreements and any requests for a review of a decision of the Registrar. In practice, the committee reviews all complaints, whether they are dismissed, dealt with by Settlement Agreement or being sent on for a Discipline Hearing.

The committee can approve the decision of the Registrar to dismiss a complaint or deal with it through a Settlement Agreement. The committee can also reverse or alter the decision of the Registrar by altering the terms of the Settlement Agreement, not allow a complaint to be dismissed or send a matter on to the Discipline Committee. The Complaint Review Committee has been very pleased with the work of the Compliance Officer and the Registrar. There have only been a couple of instances where the committee has altered a decision of the Registrar. In all cases, it was to increase the sanctions imposed.

On average the Committee reviews 15-20 complaints at each quarterly meeting. This involves the Committee members, in advance of the meeting, reviewing a case summary of each complaint and discussing the case at the Committee meeting with staff.

Shown on the following pages are statistics showing where complaints have come from, the types of complaints made and the disposition of the complaints. It is unfortunate that the vast majority of complaints were avoidable. If licensees were more diligent about communicating with their clients, getting all terms, conditions, changes in writing and ensuring deadlines are respected, then most complaints would not occur.

I would like to thank the committee members for their time and effort they have devoted to the work of the committee.

Ron Hollett

Chairperson

Audits & Investigations - Compliance Officer's Report

1999 - PROGRESS AND PROSPECTIVE

AUDITS

All real estate brokerages in Nova Scotia will be subject to a trust account and record-keeping audit by the Commission. The audit function is an ongoing process designed to provide the brokerage with constructive feedback when material deficiencies to legislated requirements are identified and to ensure public funds, held in trust by brokerages, are protected.

In 1999, 24 brokerage audits were conducted. The results of these audits varied from excellent to needs-improvement, however cooperation and overall response from brokers has been very positive.

INVESTIGATIONS

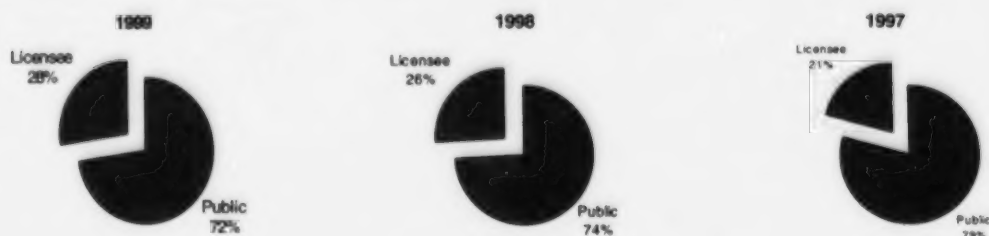
The number of complaints received and investigations initiated during 1999 was comparable to that of 1998. The number of investigations involving charges was also similar to 1998 results. A few charges laid in 1999 corresponded to 1998 investigations, still ongoing at the beginning of 1999.

At the beginning of 1999, 5 investigations from 1998 were outstanding. During 1999 the Commission received 114 real estate complaints from both public and member sources. From the 114 complaints received, 58 investigations were initiated.

All 5 cases from 1998 were closed during 1999 and of the 58 investigations initiated in 1999, 36 were closed by year-end leaving 22 outstanding. Twelve of these were awaiting closure approval from the Complaint Review Committee at year end.

The following charts summarize the Commission's investigative activities for the year ending 31 December 1999.

ORIGIN OF INVESTIGATIONS INITIATED FOR YEARS 1999, 1998 AND 1997



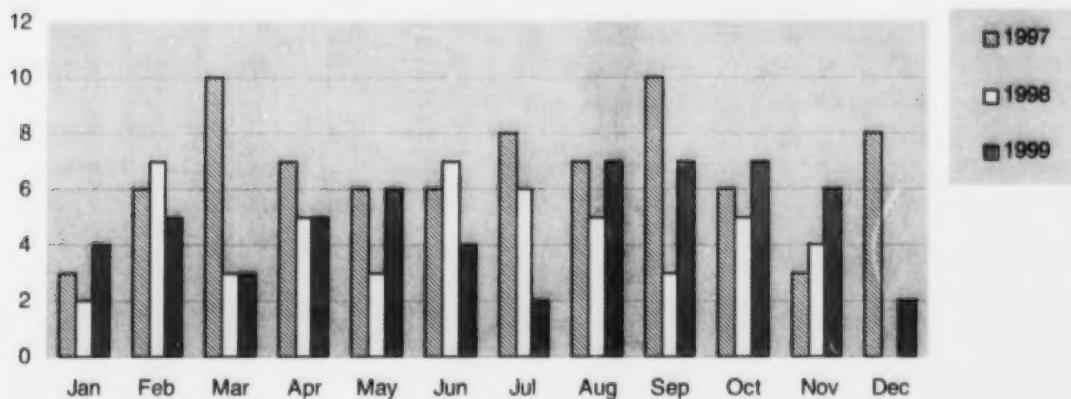
ORIGIN

In 1999, 72 percent of investigations were initiated through written public complaints. The remaining 28 percent originated due to information received from real estate Licensees. Investigations initiated from public complaints show a slight but noticeable declining trend in the past three years whereas the reverse is true for investigations originating from complaints by Licensees.

FREQUENCY

The chart below summarizes comparative figures for the total number of investigations initiated each month.

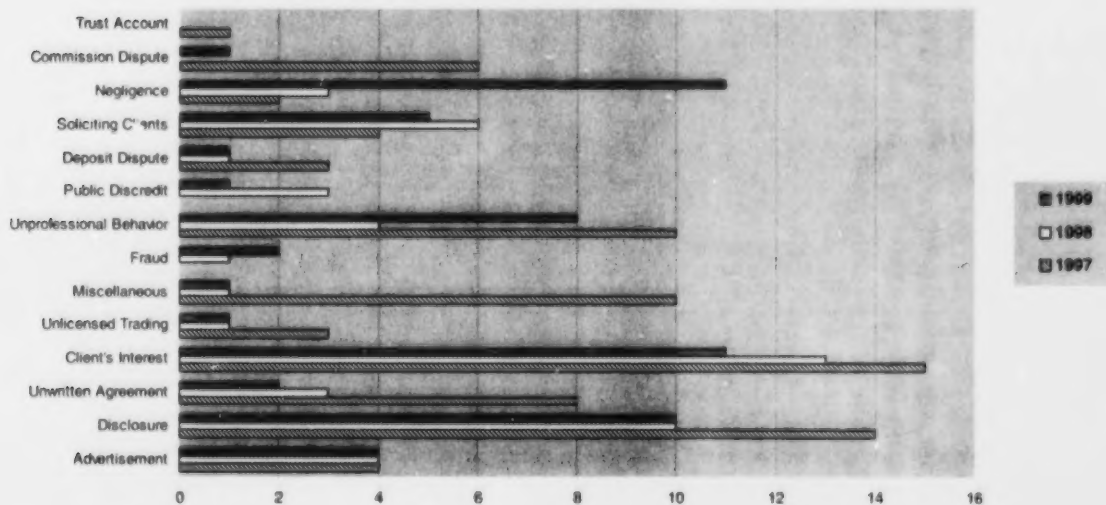
Investigation Frequen



DISTRIBUTION

This chart summarizes the distribution of the 58 investigations initiated in 1999 by type. Comparative figures are also shown for 1997 and 1998.

Distribution

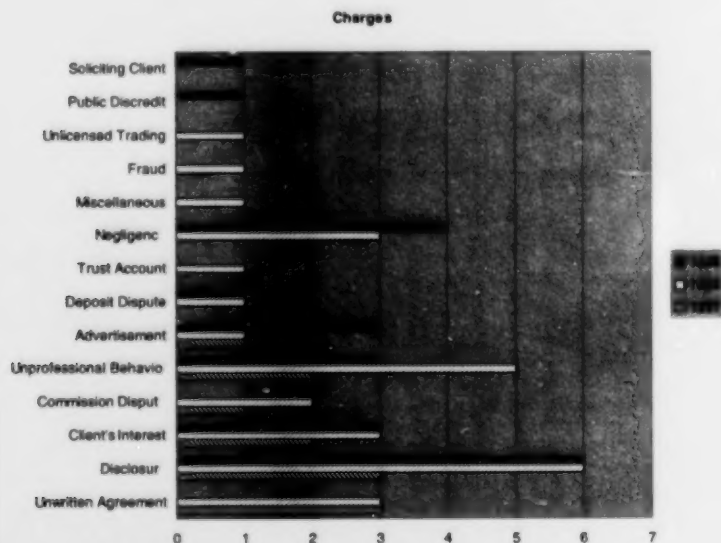


EXAMPLES:

- Negligence – Incomplete or improperly completed real estate forms, showing a property without authorization
- Soliciting Clients - Knowingly soliciting another licensee's client
- Deposit Dispute – Failing to obtain a buyer's deposit as per the agreement of purchase and sale
- Unprofessional behavior – Failing to cooperate with other licensees, yelling at clients/customers
- Miscellaneous – Failing to respond to a real estate complaint within the designated time period set by the Compliance Officer
- Unlicensed Trading – Marketing property without a license, unlicensed brokerage employee trading
- Client's Interest – Failure to place a property on the MLS system as per listing agreement
- Unwritten Agreement - Not obtaining written and signed extensions/amendments
- Disclosure – Failure to disclose septic problems, failing to verify listing information
- Advertisement – Misleading advertising, failure to include full brokerage name in an advertisement
- Fraud – Misappropriation of trust funds
- Public Discredit – Making derogatory remarks about another licensee
- Commission Dispute – Misinforming listing clients as to commission payable

CHARGES

Of the 63 investigations (five outstanding from 1998 plus 58 initiated in 1999) dealt with during 1999, 22 resulted in formal charges. The following chart summarizes the distribution of charges laid in 1999 according to type. Comparable figures are also shown for years 1997 and 1998.



EXAMPLE OF PENALTIES LEVIED THROUGH SETTLEMENT AGREEMENTS

| TYPE | PENALTY (FOR FIRST TIME OFFENCES)¹ |
|-------------------------|--|
| Negligence | \$300 fine & Reprimand |
| Advertisement | \$500 fine |
| Unprofessional Behavior | \$300 fine & Reprimand |
| Client's Interest | \$300 fine |
| Disclosure | \$300 fine |
| Unwritten Agreement | \$200 fine & course requirement |
| Deposit Dispute | \$500 fine & Reprimand |
| Soliciting Clients | \$500 fine |
| Public Discredit | \$300 fine & Reprimand |

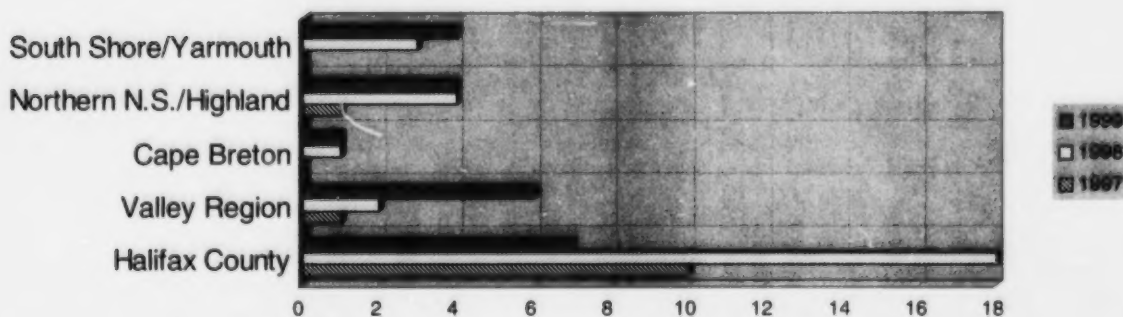
PENALTY (FOR REPEAT OFFENCE)

| | |
|---------------|--------------|
| Advertisement | \$1,000 fine |
|---------------|--------------|

PROVINCIAL SUMMARY

The following chart presents the distribution of 1999 charges by area. Figures for 1997 and 1998 are also provided for comparison purposes.

Provincial Summary of Charges



¹ All fines are allocated for educational purposes

RECURRING PROBLEMS

A number of compliance issues continue to re-surface despite repeated efforts at cautioning licensees through Commission newsletters and bulletins. It cannot be emphasized enough that the following situations are commonly grounds for disciplinary action.

- Unwritten extensions and/or amendments to real estate agreements
(Commission by-law 702, Article 6)
- Unwritten agency disclosure to clients/customers
(Commission by-law 702, Article 3)
- Advertising that is misleading to the public
(Commission by-law 707 (c))
- Failing to cooperate with a Commission investigation
(Trading Act Section 17 (4) and Commission by-law 810)
- Publicly discrediting a fellow licensee
(Commission by-law 702, Article 21)
- Failing to discover and disclose pertinent facts about properties
(Commission by-law 702, Article 4)
- Real Estate forms not completed properly
- Not obtaining brokerage cooperation instructions from sellers with exclusive agreements
(Commission by-law 702, Article 29)
- Showing a property without authorization
(Real Estate Trading Act Section 22 (1) (a))

CAUTIONING NOTE

Licensees should be aware that charges could result from issues uncovered by an investigation that are unrelated to issues cited in the original complaint. A frequent example is incomplete or improperly completed real estate forms. Brokers are reminded that they are responsible for reviewing and acknowledging all real estate agreements and therefore may be charged, along with the salesperson in question, if incomplete or improperly completed agreements are detected. The best remedy for this problem is prevention.

Discipline Committee

| | | |
|--------------|--------------|-----------------|
| Eric Demont | Chairperson | Wolfville |
| | Commissioner | (Public Member) |
| Ray Nelson | Commissioner | Yarmouth |
| Charles Pace | Member | Halifax |
| Don Clarke | Member | Dartmouth |
| Brian Hirtle | Member | Kentville |
| Mark Stein | Member | Halifax |
| Clark Woods | Member | Truro |
| Doug Dixon | Registrar | |

Hearing Panel Pool

| | |
|-----------------|-------------|
| Wayne Sanford | Wolfville |
| Sybil Brown | Truro |
| Allan Hennigar | Halifax |
| Sandra Richards | Bridgewater |
| Carol Alexander | Chester |

The Discipline Committee did not meet in 1999. Only one hearing was held.

The Discipline Committee consists of seven members, two of which are Commissioners, three brokers and three salespeople. There is also one non-licensee. In addition, there are another five people who make up the Hearing Panel Pool which supplements the committee in establishing hearing panels.

During 1999, a total of two subpoenas were served as part of the discipline process, both were for documents. There were two hearings scheduled in 1999, but one was not required as it was dealt with by Settlement Agreement. This resulted in only one hearing being held.

I wish to thank the committee members for their work during this past year.

Eric Demont

Eric Demont
Chairperson

Finance Committee

| | | |
|----------------|-------------------------|-----------|
| Ray Nelson | Chairman & Commissioner | Yarmouth |
| Nora Landry | Commissioner | Dartmouth |
| Paul Docet | Commissioner | Bedford |
| Richard Miller | Commissioner | Halifax |
| Douglas Dixon | Registrar | |

Once again the Commission has had a very stable year financially. This has resulted in the 2000 licensing and Recovery Fund fees remaining at the same levels as last three years.

Higher than anticipated revenues were collected in the new licensee categories. This is due to a much improved real estate market throughout most of the province which resulted in a higher number of new applicants.

On the expenditure side, most expenses came in under budget. Legal fees were the main item in 1998 that came in over budget, but in 1999 they came in well under budget as there were no significant legal actions undertaken by the Commission.

The Commission had budgeted to take \$40,000 from the Recovery Fund to be used to offset some of the general administration costs of the Commission. As a result of the improved revenues and lower expenses, only \$15,000 was required.

The administrative sharing between the Commission and the Nova Scotia Real Estate Association has resulted in considerable savings. This results from the sharing of space, equipment and salaries. As a result of changes the Commission deemed necessary to move forward there will be less sharing of staff. The proposed merger within organized real estate also has an impact on staffing. This will not result in any increase of fees to licensees as the Commission is in good financial shape and can absorb the additional staffing expense. We had a bookkeeper change in the spring of 1999. We were disappointed to find the books in a disarray, and it took most of the year to get caught up. We lost the opportunity for short term investing and income as a result.

The budget for 2000 has combined the Commission General and Recovery Fund into one budget and one set of financial statements. This was done to simplify the bookkeeping process. Recovery Fund investments will continue to be accounted for separately from General Funds.

This was the third year for the Commission and the budgeting process has become much easier as it now has a track record upon which to develop future budgets.

Ray Nelson

Ray Nelson
Chairman



Liverpool, Bridgewater, Lumburg N.S.

AUDITORS' REPORT

*To the Commissioners of
Nova Scotia Real Estate Commission*

We have audited the balance sheet of Nova Scotia Real Estate Commission as at December 31, 1999 and the statements of income, commission equity and changes in financial position for the year then ended. These financial statements are the responsibility of the commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conduct our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the commission as at December 31, 1999 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Raymond Winfield
Raymond Winfield
Chartered Accountants

March 10, 1999

NOVA SCOTIA REAL ESTATE COMMISSION**BALANCE SHEET**

AS AT DECEMBER 31

| | 1999 | 1998 |
|---|-------------------------|-------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 3,778 | \$ 17,389 |
| Accounts receivable | 7,749 | 2,878 |
| Investment - Scotia Money Market Fund | 50,500 | 15,000 |
| Investment - Treasury Bill | - | 29,481 |
| Due from Recovery Fund | 17,314 | - |
| Due from Education | 1,992 | - |
| Inventory - Brokerage manuals | <u>1,866</u> | <u>-</u> |
| | <u>83,199</u> | <u>64,748</u> |
| OTHER ASSET | | |
| Investment - Bell Canada (Note 5) | <u>15,064</u> | <u>-</u> |
| CAPITAL ASSETS (Notes 2 & 3) | <u>23,615</u> | <u>30,077</u> |
| | <u>\$121,878</u> | <u>\$ 94,825</u> |
| LIABILITIES AND NEGATIVE EQUITY | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 5,596 | \$ 11,818 |
| Due to general | 50,657 | - |
| Due to education | - | 8,810 |
| Deferred income | <u>45,180</u> | <u>46,735</u> |
| | <u>101,433</u> | <u>67,363</u> |
| UNAMORTIZED RECOVERY FUND GRANT (Note 2 & 4) | <u>23,615</u> | <u>30,077</u> |
| DEFICIT | <u>(3,170)</u> | <u>(2,615)</u> |
| | <u>\$121,878</u> | <u>\$ 94,825</u> |


*See accompanying notes to the financial statements.***APPROVED ON BEHALF OF THE COMMISSIONERS:**_____
*Chairman*_____
Chair of Finance *Raymond Winfield*

NOVA SCOTIA REAL ESTATE COMMISSION
FOR THE YEAR ENDED DECEMBER 31

STATEMENT OF COMMISSION DEFICIT

| | <u>1999</u> | <u>1998</u> |
|--|--------------------------|--------------------------|
| <i>BALANCE - BEGINNING OF YEAR</i> | \$ (2,615) | \$ (4,482) |
| Excess (deficiency) revenue over expenditure | <u>(555)</u> | <u>1,867</u> |
| <i>BALANCE - END OF YEAR</i> | <u>\$ (3,170)</u> | <u>\$ (2,615)</u> |

See accompanying notes to the financial statements.

 **Raymond Winfield**

NOVA SCOTIA REAL ESTATE COMMISSION STATEMENT OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31

| | 1999 Budget Unaudited | 1999 | 1998 |
|---|--------------------------------------|---------------------|------------------------|
| REVENUE | | | |
| Recovery fund interest - trust | \$ 40,000 | \$ 15,000 | \$ 30,000 |
| Exam fees | 10,600 | 17,000 | 13,250 |
| Licensing fees | 110,900 | 117,600 | 110,584 |
| IBTA - interest | 55,000 | 54,836 | 71,635 |
| Transfers/reinstatements | 8,000 | 7,260 | 9,800 |
| Brokerage manuals | 1,200 | 700 | 1,500 |
| Administration fees | 2,000 | 2,560 | 2,430 |
| Interest income | - | 1,169 | 771 |
| Fines/penalty | <u>3,000</u> | <u>5,300</u> | <u>3,447</u> |
| | <u>230,700</u> | <u>221,425</u> | <u>243,417</u> |
| EXPENDITURE | | | |
| Accounting | 3,400 | 4,345 | 3,400 |
| Advertising | 1,000 | 402 | 202 |
| AGM and conference | 2,000 | 2,000 | 2,000 |
| Bank service charges | 800 | 1,147 | 777 |
| Benefits | 11,700 | 10,953 | 12,125 |
| Car allowance | 1,000 | 800 | 300 |
| Conferences | 4,250 | 4,379 | 5,190 |
| Computer expense | 3,000 | 7,375 | 4,675 |
| Depreciation | 4,400 | - | - |
| Dues and subscriptions | 900 | 798 | 867 |
| Exchange newsletter | 1,000 | - | - |
| Facility rental | 400 | - | - |
| Furniture and equipment | 500 | 342 | 1,552 |
| Insurance | 1,150 | 1,145 | 1,124 |
| Legal | 14,000 | 6,273 | 22,329 |
| Maintenance | 400 | 193 | 334 |
| Miscellaneous | 2,400 | 2,360 | 699 |
| Office | 4,500 | 2,005 | 4,311 |
| Per diem | 4,800 | 4,900 | 5,500 |
| Printing | 3,000 | 3,653 | 4,068 |
| Photocopies | 4,500 | 4,837 | 4,472 |
| Postage/courier | 4,500 | 4,571 | 4,812 |
| Rent, cleaning and utilities | 13,440 | 13,800 | 13,800 |
| Salaries | 124,740 | 121,840 | 119,820 |
| Hearing costs | - | 556 | 869 |
| Staff training | 2,000 | 3,913 | 1,831 |
| Taxes | 900 | 664 | 885 |
| Telecommunications | 6,500 | 6,221 | 6,808 |
| Travel and meetings | 10,735 | 12,508 | 9,990 |
| Transfer to education account | - | - | 8,810 |
| | <u>233,915</u> | <u>221,980</u> | <u>241,550</u> |
| EXCESS (DEFICIENCY) REVENUE OVER EXPENDITURE | <u>\$ (3,215)</u> | <u>(555)</u> | <u>\$ 1,867</u> |

See accompanying notes to the financial statements.

 **Raymond Wixfield**

1. STATUS AND NATURE OF ACTIVITIES

The Nova Scotia Real Estate Commission was established by the Province of Nova Scotia Bill No. 31 assented to December 20, 1996. Bill 31 is an Act to Provide for Regulation of Trading in Real Estate in Nova Scotia. The Nova Scotia Real Estate Recovery Fund, which continues the former Assurance Fund, is also under the supervision and control of the Commission. The Recovery Fund has been reported on separately.

2. ACCOUNTING POLICIES

These financial statements have been prepared on an accrual basis.

Capital Assets

Capital assets are stated at cost.

Capital assets are being depreciated on a straight line basis at the following annual rates:

| | |
|-------------------------|-----|
| Furniture and equipment | 10% |
| Computers | 25% |

Amortization of Grant from Recovery Fund

The grant received from the Recovery Fund for the purchase of capital assets is amortized to income on the same basis as the capital assets are depreciated.

Investments

Investments are recorded at cost unless a significant decline in value at which time they would be written down. This has not occurred to date.

3. CAPITAL ASSETS

| | <u>1999</u> | | <u>1998</u> |
|-------------------------|------------------|---------------------------------|-----------------------|
| | <u>COST</u> | <u>ACCUMULATED DEPRECIATION</u> | <u>NET BOOK VALUE</u> |
| Furniture and equipment | \$ 28,590 | \$ 8,577 | \$ 20,013 |
| Computers | 14,410 | 10,808 | 3,602 |
| | <u>\$ 43,000</u> | <u>\$ 19,385</u> | <u>\$ 23,615</u> |
| | | | <u>\$ 22,872</u> |
| | | | <u>7,205</u> |
| | | | <u>\$ 30,077</u> |

4. SHARED EXPENDITURES

The Commission occupies space in the Halifax/Dartmouth Real Estate Board Building under a lease agreement between the Board and the Nova Scotia Real Estate Association. The Commission is charged based upon space utilization. The Commission also shares the lease costs for the photocopier and fax machine as well as other certain common expenditures that are prorated on a reasonable basis.

 **Raymond Winfield**

5. INVESTMENT

This is a Bell Canada - 6.15% MTN debenture with a face amount of \$15,000 and is due 06/15/09, stated market value at December 31, 1999 was \$14,274.

6. UNCERTAINTY DUE TO THE YEAR 2000 ISSUE

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an association's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the association, including those related to the efforts of suppliers, or other third parties, will be fully resolved.

Recovery Fund

| | | |
|-----------------|----------------------------|-------------|
| Ray Nelson | Chairperson & Commissioner | Yarmouth |
| Nora Landry | Commissioner | Dartmouth |
| Richard Miller | Commissioner | Halifax |
| Stan Rose | Member | Bridgewater |
| Barry MacKenzie | Member | Antigonish |

The Recovery Fund held only one meeting in 1999. It was held to review the budget. The Chairman had two meetings with our investment broker and brought recommendations to the committee to maximize return. The fee structure for 2000 will remain the same as the last three years.

There have not been any new claims against the Fund in 1999. There was one claim for \$25,000 from several years ago and partial repayment has been collected during the last four years. In 1999 the Commission did negotiate a final payment in order to resolve this matter. As a result, a total of \$18,625 has been recovered on this claim.

The Commission approved a grant from the Recovery Fund to the Nova Scotia Real Estate Association in the amount of \$15,000. This money was towards the cost of developing new education courses for existing licensees as well as work on a new licensing course for salespeople and the ongoing real estate encyclopedia project.

The investment portfolio of the Recovery Fund consists of bonds and mutual funds. The investments are maintained with about half of the investments in each. The Fund has done well, even with the ups and downs in the investment market. In future the committee should be encouraged to be more aggressive with blue chip funds and continue short term investing to maximize income.

Barry MacKenzie has resigned from this committee as he is winding down his real estate brokerage. Thank you to Barry for his many years of involvement with the Recovery Fund.

Overall, the Recovery Fund is in very good condition.

Ray Nelson

Chairman



Liverpool, Bridgewater, Lunenburg N.S.

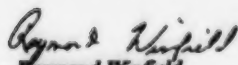
AUDITORS' REPORT

*To the Members of
Nova Scotia Real Estate Recovery Fund*

We have audited the balance sheet of Nova Scotia Real Estate Recovery Fund as at December 31, 1999, and the statements of revenue and expenditure and surplus for the period then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 1999, and the results of its operations and the changes in its financial position for the period then ended in accordance with generally accepted accounting principles.


Raymond Winfield
Chartered Accountants

March 10, 1999

NOVA SCOTIA REAL ESTATE RECOVERY FUND**BALANCE SHEET****AS AT DECEMBER 31**


| | 1999 | 1998 |
|-----------------------------|-------------------------|-------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 16,042 | \$ 7,825 |
| Investment - Treasury Bill | - | 19,573 |
| Accrued interest receivable | 6,505 | 1,674 |
| Due from Education | - | 400 |
| | <u>22,547</u> | <u>29,472</u> |
| INVESTMENTS (Note 3) | <u>819,108</u> | <u>717,464</u> |
| | <u>\$841,655</u> | <u>\$746,936</u> |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ - | \$ 447 |
| Due to General | 3,223 | - |
| Due to Education | 3,217 | 19,860 |
| Due to Commission | 17,314 | - |
| Deferred revenue | <u>22,415</u> | <u>22,973</u> |
| | <u>46,169</u> | <u>43,280</u> |
| RECOVERY FUND EQUITY | <u>795,486</u> | <u>703,656</u> |
| | <u>\$841,655</u> | <u>\$746,936</u> |

See accompanying notes to the financial statements.

APPROVED ON BEHALF OF THE COMMISSIONERS:

Chairman


Chair of Finance

 **Raymond Winfield**

NOVA SCOTIA REAL ESTATE RECOVERY FUND STATEMENT OF REVENUE & EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31

| | <u>1999</u> <u>Budget</u> <u>Unaudited</u> | <u>1999</u> | <u>1998</u> |
|--|---|-------------------------|-------------------------|
| REVENUE | | | |
| Assessment - Administration | \$ 60,000 | \$ 63,923 | \$ 62,337 |
| Interest income - Trust | 20,000 | 32,243 | 27,743 |
| Interest income - Administration | 150 | 118 | 396 |
| Growth Fund | 10,000 | 38,246 | 21,838 |
| Recovery of Claim | - | 8,500 | 3,300 |
| | <u>90,150</u> | <u>143,030</u> | <u>115,614</u> |
| EXPENDITURES | | | |
| Salaries | 9,426 | 9,041 | 9,090 |
| Benefits | 975 | 603 | 727 |
| Rent | 4,400 | 4,595 | 4,595 |
| Travel and meetings | 300 | 208 | - |
| Telecommunications | 1,400 | 1,000 | 844 |
| Accounting | 2,000 | 3,047 | 2,000 |
| Legal | 500 | - | - |
| Office | 300 | - | 5 |
| Taxes | 450 | 221 | 425 |
| Insurance | 350 | 344 | 350 |
| Postage/courier | 50 | - | 5 |
| Computer expense | 1,830 | 1,822 | 2,273 |
| Maintenance | 100 | - | 100 |
| Transfer to commission | 40,000 | 15,000 | 30,000 |
| Furniture and equipment | 500 | - | 143 |
| Staff training | 300 | 10 | - |
| Bank charges | 250 | 202 | 195 |
| Photocopier | 150 | 1 | - |
| Miscellaneous | 100 | 106 | - |
| Transfer to education | <u>15,000</u> | <u>15,000</u> | <u>34,860</u> |
| | <u>78,381</u> | <u>51,200</u> | <u>85,612</u> |
| EXCESS REVENUE OVER EXPENDITURE | <u>\$ 11,769</u> | <u>\$ 91,830</u> | <u>\$ 30,002</u> |

See accompanying notes to the financial statements.

 **Raymond Winfield**

NOVA SCOTIA REAL ESTATE RECOVERY FUND
FOR THE YEAR ENDED DECEMBER 31

STATEMENT OF EQUITY

| | <u>1999</u> | <u>1998</u> |
|---|-------------------------|-------------------------|
| <i>BALANCE - BEGINNING OF YEAR</i> | \$703,656 | \$673,654 |
| Excess revenue over expenditure | <u>91,830</u> | <u>30,002</u> |
| <i>BALANCE - END OF YEAR</i> | <u>\$795,486</u> | <u>\$703,656</u> |

See accompanying notes to the financial statements.

 **Raymond Winfield**

1. STATUS AND NATURE OF ACTIVITIES

The Nova Scotia Real Estate Recovery Fund was established under an act to provide for the Regulation of Trading in Real Estate in Nova Scotia on December 20, 1996. The Recovery Fund was formerly known as the Nova Scotia Real Estate Assurance Fund under Chapter 384 of the Revised Statutes of Nova Scotia, which was repealed. The Recovery Fund is under the control of the Nova Scotia Real Estate Commission. The purpose of the fund is to provide a self insurance fund for licensees members in the real estate industry of Nova Scotia within limits as authorized in Note 4.

2. ACCOUNTING POLICY

The attached financial statements are prepared on an accrual basis. Under the regulations of the Fund, trust funds in excess of minimum can be used for other prescribed purposes. The Recovery Fund records investments at cost and does not account for premiums or discounts on a periodic basis. The resulting gain or loss is recognized at maturity, on disposal of the investment, or if there is a permanent decline in value. In certain instances stated cost may differ from original cost.

3. INVESTMENTS

| | December 31 1999 | Quoted Market December 31 1999 |
|--|---------------------|---|
| Bank of Nova Scotia Bond - 8.375% fixed - inverse floating rate notes due April 30, 2007 | \$100,000 | \$ 96,250 |
| Scotia Mortgage Investments Corp Bank - 6.57% due October 31, 2007 | 165,000 | 162,525 |
| Bell Canada Debenture - 6.15% due June 15, 2009 | 35,155 | 33,305 |
| Province of British Columbia Coupon Package - 9.5% - Face value \$152,000 maturing in years 2006, 2007, 2008 and 2009 | 41,768 | 89,074 |
| Accrued interest on BC Coupon Package due in years 2006, 2007, 2008 and 2009 | 52,448 | - |
| Ontario Hydro Global - 5.45% due October 15, 2009 | 51,732 | 47,385 |
| AIC World Equity Fund | 12,000 | 13,775 |
| Templeton International Stock Fund | 27,518 | 35,473 |
| Templeton Growth Fund | 60,176 | 64,174 |
| Trimark Select Growth fund | 48,775 | 55,865 |
| AFG American Tactical Asset Fund | 98,398 | 97,771 |
| Fidelity Global Asset Fund | 68,792 | 79,660 |
| Scotia Money Market Fund | 25,596 | 25,607 |
| Templeton Treasury Bill Fund | 31,750 | 31,754 |
| | <u>\$819,108</u> | <u>\$832,618</u> |

 **Raymond Winfield**

3. INVESTMENTS (continued)

The administration of the Recovery Fund has adopted a policy of investing approximately one half the value of the fund in selected equity based mutual funds which are subject to market risk. The reason for investing in mutual funds is to obtain a higher market rate of return. The Trustee Act of Nova Scotia, which governs the investment policy of the fund, permits the investment of a portfolio of investments in a manner to avoid undue risk of loss. Scotia McLeod, the Commission's investment advisor, has stated that the investments meet the requirements of the Trustee Act.

-
4. As the Recovery Fund now exceeds the required minimum amount of \$300,000 in cash and investments, it no longer carries insurance for indemnification purposes. Under the regulations, the maximum amount that may be paid from the Fund arising from a single real estate transaction is:
- (a) to any claimant for a claim against a salesperson is \$15,000.
 - (b) to any claimant for a claim against a broker or manager is \$25,000.
 - (c) if there is more than one claim against a brokerage is a total of \$60,000.
-

5. CLAIMS

There was one valid claim against the fund since inception. A settlement has been concluded for repayment of this claim. According to responsible officials, there are no claims pending as at date of audit.


6. RELATED PARTY TRANSACTIONS

The Nova Scotia Real Estate Recovery Fund shares office space and services with Nova Scotia Real Estate Association. A portion of expenses are allocated to the Recovery Fund in proportion to space used and services required. Most expenses described on the Statement of Revenue and Expenditure result from allocations.

Any amount in the Fund in excess of the minimum prescribed by legislation may be used by the Commission for a predetermined list of purposes. During the current fiscal year, \$15,000 was transferred to the Education account for exam fees and \$15,000 to the Commission for operating costs.

7. UNCERTAINTY DUE TO THE YEAR 2000 ISSUE

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an association's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the association, including those related to the efforts of suppliers, or other third parties, will be fully resolved.

 **Raymond Whiffeld**

Nova Scotia Real Estate Commission 2000 Budget

| REVENUES | | General | | Recovery Fund | | Combined | | 2000 |
|-------------------------------|-------|------------------|------------------|-----------------|------------------|------------------|------------------|------------------|
| Item | Notes | 99 Budget | 99 Actual | 99 Budget | 99 Actual | 99 Budget | 99 Actual | Budget |
| Exam Fees | 1 | 10,500 | 17,000 | | | 10,500 | 17,000 | 14,500 |
| Exam Review | | 100 | 0 | | | 100 | - | 600 |
| New Brokerages | | 2,500 | 2,800 | | | 2,500 | 2,800 | 3,000 |
| New Brokers | | 3,000 | 1,305 | | | 3,000 | 1,305 | 2,500 |
| New Managers | | 400 | 480 | | | 400 | 480 | 480 |
| New Salespeople | | 18,500 | 20,460 | | | 18,500 | 20,460 | 23,000 |
| Brokerage Renewal | | 10,000 | 10,450 | | | 10,000 | 10,450 | 8000 |
| Broker Renewal | | 15,000 | 16,640 | | | 15,000 | 16,640 | 13000 |
| Manager Renewal | | 2,000 | 2,320 | | | 2,000 | 2,320 | 1800 |
| Salesperson Renewal | | 58,500 | 61,525 | | | 58,500 | 61,525 | 50,000 |
| Branch Office | | 1,000 | 1,620 | | | 1,000 | 1,620 | 1,200 |
| Transfers | | 8,000 | 7,260 | | | 8,000 | 7,260 | 9,500 |
| IBTA - Interest | | 55,000 | 54,836 | | | 55,000 | 54,836 | 60,000 |
| Interest Income | | 0 | 1,169 | | | - | 1,169 | 950 |
| Recovery Trust Interest | 2 | 40,000 | 15,000 | | | 40,000 | 15,000 | 30,000 |
| Fines | | 3,000 | 5,300 | | | 3,000 | 5,300 | 5,500 |
| Brokerage Manuals | | 1,200 | 700 | | | 1,200 | 700 | 1,000 |
| Administration Fees | | 2,000 | 2,560 | 60,000 | 63,923 | 62,000 | 66,483 | 2,500 |
| Rec. Fund Admin Assess | | 0 | | | | - | - | 63,000 |
| Interest Income - Admin | | 0 | | 150 | 118 | 150 | 118 | |
| Interest Income - Trust | | 0 | | 20,000 | 32,243 | 20,000 | 32,243 | |
| Growth Fund | | 0 | | 10,000 | 38,246 | 10,000 | 38,246 | |
| Repayment of Claim | | 0 | | 0 | 8,500 | - | 8,500 | |
| Revenue Totals | | \$230,700 | \$221,425 | \$80,150 | \$143,030 | \$320,850 | \$364,455 | \$290,530 |
| EXPENDITURES | | General | | Recovery Fund | | Combined | | 2000 |
| Item | Notes | 99 Budget | 99 Actual | 99 Budget | 99 Actual | 99 Budget | 99 Actual | Budget |
| Accounting | | 3,400 | 4,345 | 2,000 | 3,047 | 5,400 | 7,392 | 5,000 |
| Advertising | | 1,000 | 402 | 0 | | 1,000 | 402 | 500 |
| AGM & Conference | | 2,000 | 2,000 | 0 | | 2,000 | 2,000 | 2,000 |
| Bank Charges | | 800 | 1,147 | 250 | 202 | 1,050 | 1,349 | 1,000 |
| Benefits - Government | | 7,700 | 7,579 | 625 | 603 | 8,325 | 8,182 | 11,000 |
| Benefits - Health | | 4,000 | 3,374 | 350 | | 4,350 | 3,374 | 4,500 |
| Car Allowance | | 1,000 | 800 | 0 | | 1,000 | 800 | 1,200 |
| Computer Support | 3 | 3,000 | 7,375 | 1,830 | 1,822 | 4,830 | 9,197 | 8,500 |
| Conferences | | 4,250 | 4,379 | 0 | | 4,250 | 4,379 | 4,500 |
| Depreciation | 4 | 4,400 | 0 | 0 | | 4,400 | - | - |
| Dues & Subscriptions | | 900 | 798 | 0 | | 900 | 798 | 900 |
| Exam Expenses | | | | | | | - | 4,000 |
| Facility Rental | | 400 | 0 | 0 | | 400 | - | 400 |
| Fund-Inflation factor | 5 | | | | | | - | 12,000 |
| Furniture & Equipment | | 500 | 342 | 500 | 0 | 1,000 | 342 | 1,000 |
| Hearing Costs | 6 | 2,000 | 556 | 0 | | 2,000 | 556 | 1,000 |
| Insurance/Directors Liability | | 1,000 | 1,000 | 250 | 344 | 1,250 | 1,344 | 1,250 |
| Insurance/Property | | 150 | 145 | 100 | | 250 | 145 | 500 |
| Legal | 7 | 12,000 | 6,273 | 500 | 0 | 12,500 | 6,273 | 8,000 |
| Maintenance | | 400 | 193 | 100 | 0 | 500 | 193 | 500 |
| Miscellaneous | | 2,400 | 2,360 | 100 | 106 | 2,500 | 2,466 | 1,000 |
| Newsletter & Updates | | 1,000 | 0 | 0 | | 1,000 | - | 500 |
| Office | | 4,500 | 2,005 | 300 | 0 | 4,800 | 2,005 | 4,500 |
| Per Diem | | 4,800 | 4,900 | 0 | | 4,800 | 4,900 | 5,500 |
| Photocopies | | 4,500 | 4,837 | 150 | 1 | 4,650 | 4,838 | 4,800 |
| Postage and Courier | | 4,500 | 4,571 | 50 | 0 | 4,550 | 4,571 | 5,000 |
| Printing | | 5,000 | 3,653 | 0 | | 5,000 | 3,653 | 6,000 |
| Rent, Cleaning, Utilities | | 13,440 | 13,800 | 4,400 | 4,595 | 17,840 | 18,395 | 18,000 |
| Salaries | | 123,240 | 121,840 | 9,426 | 9,041 | 132,666 | 130,881 | 169,200 |
| Salaries - Temporary | | 1,500 | | 0 | | 1,500 | - | 1,500 |
| Staff Training | 8 | 2,000 | 3,913 | 300 | 10 | 2,300 | 3,923 | 2,000 |
| Staff Travel | | 4,000 | 5,388 | 0 | | 4,000 | 5,388 | 4,000 |
| Taxes | | 900 | 664 | 450 | 221 | 1,350 | 885 | 1,200 |
| Telecommunications | | 6,500 | 6,221 | 1,400 | 1,000 | 7,900 | 7,221 | 7,000 |
| Transfer to Commission | | 0 | | 40,000 | 15,000 | 40,000 | 15,000 | |
| Transfer to Education | | 0 | 0 | 15,000 | 15,000 | 15,000 | 15,000 | |
| Travel & Meetings | | 6,735 | 7,120 | 300 | 208 | 7,035 | 7,328 | 7,000 |
| Expenditure Totals | | \$233,915 | \$221,860 | \$78,381 | \$31,200 | \$312,266 | \$273,188 | \$364,950 |
| NET | | -3,215 | -835 | 11,769 | 91,830 | 8,584 | 91,275 | -14,420 |
| Commission Equity | | | | | | | | 14,420 |
| Balance | | | | | | | | 0 |

-Budget Notes-

1. Exams fees were considerably higher this year due to the number of new applicants.
2. The Commission had budgeted to use \$40,000 of Recovery Fund interest but only required \$15,000. Had the Commission taken the full \$40,000 from the Recovery Fund interest, the 1999 Actual net figure would have been approximately \$24,500. The budget for 2000 has allowed for use of \$30,000 of Recovery Fund interest.
3. The 1999 figure was higher for several reasons. Some equipment had to be replaced unexpectedly. The Y2K preparations were more expensive than planned. The 2000 budget allows for off-site network support, which was previously done in-house.
4. The Commission is not showing depreciation as the furniture and equipment purchased was paid for through a Grant from the Recovery Fund and has been amortized over several years. See the Accountant's Notes # 2&3.
5. An allowance has been made to offset against annual inflation eroding the Recovery Fund.
6. The budget allowed for three to five hearings, only one was held.
7. Legal is one of the most difficult items to budget for as issues and events are unpredictable. Last year legal was high, as there were several issues, this year it was much less as there were no major legal issues or actions dealt with.
8. Staff Training is over budget due to the Commissioners approving an extra expenditure to send the Compliance Officer on an Investigator's Course put on by ARELLO.

Election Procedures

Nova Scotia Real Estate Commission

Shown below is a summary of the voting procedures for the elections to be held at the AGM.

1. All persons licensed under the *Real Estate Trading Act* are entitled to vote either in person or by proxy.
2. Any person elected to serve as a Commissioner must be a licensee.
3. No corporation or partnership is eligible for election.
4. The only nominations to be considered for election are those listed in this *Notice of Meeting*.
5. Licensees must return their ballots (their own plus those by proxy) to the registration desk if they leave at any time during the meeting.
6. The election shall be conducted by written ballot.
7. Ballots can indicate only one vote per nominee.
8. Ballots will be considered spoiled if the ballot indicates more than one vote or if it indicates more than one vote per nominee. It will also be considered spoiled if it does not clearly indicate for which nominee the vote is being cast.
9. A nominee will be declared elected if the nominee receives "50% plus one" of votes cast. For example, if there are 200 votes cast, the nominee must have 101 or more votes to be declared elected.
10. The person receiving the highest number of votes cast and declared elected, will be elected to a three year term.
11. Should a person not be elected after the first ballot, a second ballot will be held. The same procedure will be used in every ballot that follows until a person has been declared elected.
12. The nominee having the lowest number of votes will be dropped from the next ballot.
13. Any nominees having less than ten percent of the votes cast will be dropped from the next ballot.
14. The successful nominee will take office effective May 1, 2000 for a three year term.

Nominees for Election to the Nova Scotia Real Estate Commission

The following people have met the requirements for nomination to the Nova Scotia Real Estate Commission and have agreed to let their name stand for election. They are listed here in alphabetical order and a brief summary of their background and experience is also provided on the following pages.

| <u>Name</u> | <u>Brokerage</u> | <u>Location</u> |
|--------------------|--------------------------------|------------------------|
| David Karas | Exit Realty Professionals | Lower Sackville |
| Nora Landry | Century 21 Classis Realty Ltd. | Dartmouth |

Each Nominee will be given the opportunity to address the Annual General Meeting for two minutes in order to help licensees determine how they will vote.

-Nominee Information-

Nominee: **David Karas**

Brokerage: Exit Realty Professionals

Location: Lower Sackville

Type of license: Salesperson

Years Licensed: 6

Primary type of real estate practiced: Residential

Degrees/Designations held: Registered for CRES through REIC

Director/Executive experience in any organizations:

Other Experience: Worked closely with Big Brothers and Big Sisters, various volunteer sports teams, actively involved in the housing industry in various forms and levels for 25 years.

Nominee: **Nora Landry**

Brokerage: Century 21 Classic Realty Ltd.

Location: Dartmouth

Type of license: Broker

Years Licensed: 16

Primary type of real estate practiced: Residential, Commercial, Management

Degrees/Designations held: Graduate Century 21 Management Academy, Certified Residential Specialist, Certified Management Specialist

Director/Executive experience in any organizations: Have served as a Commissioner for the last three years serving on the Finance and Licensing Committees, served on several HDREB Committees, two terms as a Director of HDREB, chaired the Broker/Manager Council, served as Vice-President and President of Century 21 Council for Province of Nova Scotia

Other experience: Annual speaker at Century 21's Chairman's Circle, invited by the owner and Chairman of the Board for C21 Canada. Traveled extensively throughout Canada as speaker, advisor and troubleshooter for Century 21 Canada. Active in Easter Seals/Abilities Foundation and other local causes and charities.

Commissioners Attendance Record

Nova Scotia Real Estate Commission

Shown below is the attendance record of the Commissioners serving on the Nova Scotia Real Estate Commission between May 1, 1999 and April 30, 2000. There were a total of four Commission meetings held. The information below shows how many meetings each of the Commissioners attended.

| | |
|------------------|---|
| Eric Demont | 3 |
| Paul Doucet | 4 |
| Lynn Hoffmann | 4 |
| Ron Hollett | 4 |
| Nora Landry | 3 |
| Richard Miller | 4 |
| Ray Nelson | 4 |
| Judith Patterson | 2 |
| Tina Sweeney | 4 |
| Doug Dixon | 4 |

In addition to the Commission meetings all the Commissioners participated in various committee work as shown at the beginning of this report.